Factors Affecting On Improvement Employee Empowerment (Case Study: Saipa Corporation)

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ABSTRACT

The current study aimed to investigate the role of organizational support, leadership style, designing job and knowledge management in employees' empowerment. In conducting calculation of research, descriptive-survey method based on correlation is used. The study also is a case study that was conducted in Saipa Company. The study population includes all directors, officers and employees of logistics unit in Saipa which their number is about 200 people. To select sample by using census method and Morgan table 127, the samples are selected and used. Because the population size is limited and all employees in this unit completed the questionnaire if they would like to do, the data collected through the questionnaire have been entered into the software SPSS and by regression method have been analyzed. The study consists of 4 hypotheses that explained the relationship between different indices and empowerment improving of employees. After gathering data and investigating hypothesis, it was determined that all hypotheses are confirmed. Therefore, perceived organizational support, job designing, transformational leadership and knowledge management are effective in employees' empowerment improving.

KEY WORDS: Empowerment, Knowledge Management, Organizational Support, Job Designing, Transformational Leadership

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PROBLEM STATEMENT

Most organizations and companies in the country are not in a good status in terms of personnel efficiency and productivity and career performance. Domestic Experts believe that low level of job performance usually is one of the problems of Iranian organizations and organizations face difficulties in this regard. In fact, the main problem in the most Iranian organizations is that optimal efficiency and performance of employees are not observed. Perhaps one of the main reasons for this is lack of attention to practices and procedures that could affect the ability of the staffs. Empowerment is to empower the employees so that their self-confident is strengthened and they have enough ability, skill and motivation to carry out the desired activities (Avey et al., 2008). In more simple definition, empowerment is to increase of knowledge and awareness of employees, to increase skill and experience, to improve adaptability to the environment and ability of job improvement and making idea (Albrecht, Andretta, 2011). Empowerment of employees can also achieved by organizational systems like training, development of information systems and so on, and also can improved by increasing employees' motivation and their willingness to learning. However, it seems that employees' willingness and motivation, especially in this case, play more important role (Ozaralli, 2003). Empowerment of employees through any ways, has lots of advantages for the organization, Advantages such as job performance improvement (Batram, Casimir, 2007), reducing mistakes and increasing the speed of decision-making (Gill et al., 2012), improving collaboration and innovation (Avey et al., 2008) that all of them lead to job performance improving. But the question is that what factors are effective in improvement of employees' empowerment level?

In this research, it will be tried to examine this issue in logistics management of Saipa Company. For this purpose, a review of literatures and previous researches was carried out and a total of 4 factors were as effective default factors in empowerment that were identified and presented as follows:

- Organizational support (Ro, Chen, 2011).
- Leadership style (Gill et al., 2010).
- Job designing (Toumin et al., 2010).
- Knowledge management (Ahmadi et al., 2012).

Therefore, the question is completed in this way that what factors are effective in improvement of Saipa employees' empowerment level in logistics unit?

A) Conducting such research is important for two reasons. First, improving organization personnel empowerment have been always considered by managers and directors and are followed as one the organizational goals. All organizations need to identify effective methods in their employees' empowerment that based on it, improve state of human resources and thereby increase their volume of products and providing services and also make positive development in their process of moving (Iranzadeh et al., 2011). Secondly, empowering employees is one of the programs that is implemented and followed in almost all organizations and it can be useful as relatively low-cost solutions in the process of job satisfaction improvement. So this study that explains effective factors in empowerment is very important and can be useful in recognizing low-cost ways for achieving employees' satisfaction and their job performance.

B) Environmental challenges in this era make organizations to seek a way to prolong their life in terms of rapid technological advances, increasing customer expectations and the necessity of flexibility. In the meantime, much of organizations recognize the solution of empowering program implementation and by using this empowerment try to reform variables affecting emotion of individuals for overcoming internal and external obstacles through implementing these programs and make a background for training empowering employees. Empowering employees has specific attitudinal and behavioral results for organizations and it increases empowerment in the supply of

foreign competition. Therefore, conducting the researches that could be grounds for employees' empowerment improving has high importance and necessity.

C) Saipa group, like most Iranian organizations, are faced with the problem of empowering employees and cost a lot annually to employees' level of skills and knowledge. But human resource managers complain of the employees' weakness and low performance and low proficiency. In fact, empowerment has become one of the concerns for managers. Hence, doing such a thing, especially in the mentioned organization, is of utmost importance and doing that were welcomed by the company's human resource officials and it is more emphasized.

The overall goal of this study is to identify and explain factors affecting employees empowering in logistics unit of Saipa Company that includes:

- To investigate and explain the role of organizational support perceived by empowering employees.
- To investigate and explain the role of job designing by empowering employees.
- To investigate and explain the role of transformative leadership by empowering employees.
- To investigate and explain the role of knowledge management by empowering employees.

Thus, the conceptual model of research is:

Figure 1. Research model

Source: (Seibert et al., 2011), (Kou et al., 2010), (Gill et al., 2010)

REVIEW OF THE LITERATURE

In 2003, a researcher named (Azarali) in a study '*The Effects of Transformative Leadership on empowering employees and teamwork effectiveness*' examines the results of implementation transformational leadership in some of areas of human resources. The researcher, as a default way, believed that transformational leadership in the areas of human resources has wonderful effects so that employing it takes into account as one of the management necessities. For this study, 152 people were selected from among employees in various industries and was tried to measure the attitude of the staffs of the variables through completing the questionnaire. The effectiveness of teamwork also was measured through the measuring of the communication among members, team performance and innovation in teams. The results suggest that there is a significant relationship between indicators of transformative leadership and empowering employees. It also seems the function of teams is improved based on transformative leadership. In 2010, (Gill et al.), in a study entitled '*Transformative Leadership and its relationship to the employees' willingness to empowerment*' examined the components of this leadership style. According these researchers, transformative leadership is as one of the pioneer leadership-style which is led the organization's performance to the progress continuously and they believe that improving is necessary for employees. For conducting this study, the number of employees in the hotel and tourism industry in Canada and India were selected and their opinions were asked about leadership style and their willingness to empowering. Then, collected data were analyzed through the regression analysis. The results showed that there is a significant relationship between transformational leadership style and employee's willingness to empower employees in both countries. Cultural differences affected on the relationship. In Canada, it is reported that this relationship was stronger than India. Accordingly, it is proposed that managers encourage employees for improving skills and knowledge by adopting transformational approaches and related styles. The results also indicate that the leadership style is effective in employees' treatment and managers can achieve organizational purposes in terms of leadership style.

In 2012, an Indian researcher named Kirishnan in a study on '*Transformative leadership and Staff Outcomes*' investigated the components of transformative leadership and employees' performance considering mediator variables and paid attention to empowering employees. He believes that the survival of any business requires an understanding of the importance of leadership style. Especially, leadership style determines employees' job performance. To conduct this study, 285 people were selected from among managers in different organizations in west India. Data were collected through the questionnaire and were analyzed. Results show that transformational leadership effects on empowering employees and employees empowering plays an effective role in health, quality of career life, and employees' job performance.

In 2014, Hagh shenas and associates in their study investigated '*The relationships between the use of Information Technology and Contact with Empowering Universities' Staffs*'. The study aimed to examine the relationship between the use of information technology and contact with empowering universities' staffs. The study is practical in terms of the aim, and in terms of method is correlation. The population was total employees of headquarters of Islamic Azad University, Science and Research Branch of Tehran and Centre Branch of Tehran that their number was 225 people in the academic year 2012-2013. Among these individuals, stratified sampling proper to population size and through Cochran Formula, 143 subjects were selected for statistical sample. In order to collect data, a questionnaire of information technology with 15 questions and with reliability 5.92 percent and a questionnaire of empowering staffs with 35 questions and reliability 8.92 percent were used in five-item Likert scale. Data analysis performed by statistic-descriptive and inferential methods, as Pearson and Spearman correlation coefficient through SPSS software. The results showed that there is a significant relationship between the use of information technology and components of empowering staffs including performance improvement, independence and freedom of action,

responsibility, decision-making, job diversity, self-control, employees' ability, willingness and professional growth. From among the dimensions of empowering, component of employees' performance improvement had the most correlation and component of employees' self-control had the lowest correlation with the information technology and communications. In 2013, Salajagheh and associates in the study investigated '*Analysis Psychological empowering of Staffs and Its Relationship with Knowledge Management*'. According to them, today knowledge is as a valuable and strategic resource and is an asset. They believe organizations for being successful need to implement knowledge management in the best way. One of the factors that can assist organizations in the successful implementation of the knowledge management is a powerful force in the organization. The aim of this study was to analyze the psychological empowerment and its relationship to knowledge. This study is a combination of descriptive and correlation research. The population consisted employees of Jam petrochemical company (818 people) that 263 people were selected by simple random sampling for conducting research. To collect data two valid questionnaire of psychological empowerment and knowledge management were used. Reliability of the questionnaire was calculated through Cronbach's alpha coefficient and collected data were analyzed using SPSS software. Results obtained from the correlation test indicate there is a significant relationship between psychological empowerment and its components. The results of multi-regression analysis showed that apart from the sense of efficiency, autonomy feel has the greatest effect and meaningfulness feel of job has the least effect on knowledge management. In 2009, Ayesi and Kord identified and explained the model of empowering staffs in governmental organizations (a case study in Yazd). According to them, empowerment based on meaning view is to release the inner strength of individuals for amazing achievements. By this view and to discover the factors affecting releasing, in this study it was determined the relationship and diagnosing direct and indirect variables in the empowerment pattern of human resources. The study was conducted based on a sample taken from the statistical target population of governmental organizations' employees in Yazd Province in multi-stage random way. Here, using descriptive-correlation method and correlation matrix or covariance analysis, a research was conducted that is in a period of several months during 2006-2007. Research information and data are collected through the questionnaire that its reliability and validity was confirmed by coefficient of cronbach's alpha and content validity and the composition of standard questionnaires. Findings suggest that in addition to proper relationship between independent variables of model and empowering as dependent variable, effect of variables of commitment, consistency and cooperation on empowering is direct and effect of variables of communication, training, salary and conditions of employees on empowering is indirect.

METHODOLOGY

The study is a case study that is done in Saipa Company. In this study the population includes all administrates, experts, technicians, foremen, workers and drivers of logistic unit in Saipa Company that the number of populations is 200. For sampling, simple random sampling was used. The sample size, according to Morgan, is set equal to 127.

To evaluate the impact of information technology, the questionnaire is used in this research. The questionnaire used in this study consisted of multiple-choice questions to assess the situation and seven-choice questions in Likert scale is for evaluating hypothesis directly.

The method in this study is descriptive-survey and correlative to consider the effects of different factors on empowering Saipa Company employees. The main approach in this research is deductive strategy that using theory and literature are begun and in the following through collected data, the hypothesis are rejected or accepted.

In terms of the components, the research is of an applied research that in term of research approach is in a descriptive level.

In this research, the method of data collection is field-based and library-based. The library-based method was used to extract and collect the preliminary data and field-based data was used to gather basic data.

Independent variables of the questionnaire include knowledge management, job designing, organizational support, transformative leadership style which can be divided into smaller parts. In this study also the final dependent variable is empowering that its components and resources are meaningfulness sense, adequacy, decision-making, and effectiveness.

Since the standard questionnaire used in this study, the validity is approved. To evaluate the reliability of the questionnaire, method of calculating Cronbach's alpha coefficient was used. Whereas the questionnaire was designed as Likert scale and in fact, is a kind of attitude measuring. The most appropriate method for evaluating validity is Cronbach's alpha coefficient that within the reliability indices of independent variables is 0.80 and for reliability indices of dependent variables is 0.76.

In order to analyze the data in this study, descriptive-statistical methods, correlation coefficient of Pearson and regression test were used. To investigate all the questions, significant level was considered as $\alpha=0/001$.

Hypothesis 1: perceived organizational support has a relationship with improving employees' empowerment.

The results show that there is a significant and positive relationship between perceived organizational support and improving employees' empowerment.

Pearson correlation coefficient is 0.242. It shows a weak relation which is significant at 95% level. The result confirmed the correlation between variables and the effect of two variables on each other is tested through the regression. The result also showed that 5% changes of dependent variable are affected by independent variable.

Hypothesis 2: Job designing has a relationship with the improving employees' empowerment.

The results show that there is a significant positive relationship between job designing and the improving employees' empowerment. Pearson correlation coefficient is 0.365 representing the average significant relationship 95%, because the level of sig is reported lower than 0.05. The correlation between variables is approved and the effect of two variables on each other is tested by regression. The results also show that 13% of dependent variable changes can be influenced by the independent variable.

Hypothesis 3: Transformational leadership has relationship with the improving employees' empowerment.

The results indicate that there is a significant and positive relationship between transformational leadership and improving employees' empowerment. Pearson correlation coefficient is 0.263. It shows a weak relation which is significant at 95% level, because the level of sig reported lower than 0.05. As a result, the correlation between variables is approved and the effect of two variables on each other is tested by regression. The results also show that 6% of dependent variable changes can be influenced by the independent variable.

Hypothesis 4: Knowledge management relationship with the improving employees' empowerment.

The results indicate that there is a significant and positive relationship between knowledge management and improving employees' empowerment. Pearson correlation coefficient is 0.304. It shows an average relation which is significant at 95% level, because the level of sig reported lower than 0.05. As a result, the correlation between variables is approved and the effect of two variables on each other is tested by regression. The results also show that 9% of dependent variable changes can be influenced by the independent variable.

Table 1: Investigating correlation tests in testing hypothesis

Independent variable	Dependent variable	number	Pearson coefficient	sig	Coefficient of determination	Degree of freedom
Perceived organizational support	Improving employees' empowerment	127	0.243	0.036	5%	126
Job designing	Improving employees' empowerment	127	0.365	0.001	13%	126
Transformational leadership	Improving employees' empowerment	127	0.263	0.22	6%	126
Knowledge management	Improving employees' empowerment	127	0.304	0.08	9%	126

CONCLUSIONS AND SUGGESTIONS

As mentioned in the statement of the problem, the study includes 4 hypotheses that explain the relationship between various indices and improving employees' empowerment. After gathering data and investigating hypotheses, it was found that 4 hypotheses are approved. In the table below is a summary of the hypotheses that can be seen:

Table 2: The summary of testing hypotheses

Hypothesis	Independent variable	Dependent variable	Hypothesis status	Significant level
1	Perceived organizational support	Improving employees' empowerment	approved	0.95
2	Job designing	Improving employees' empowerment	approved	0.95
3	Transformational leadership	Improving employees' empowerment	approved	0.95
4	Knowledge management	Improving employees' empowerment	approved	0.95

Recommendations based on results of hypothesis 1

As mentioned, perceived organizational supporting employees in different cases can lead to their empowerment improving. However this impact is evaluated in a poor level and other variables play the most prominent role in this case. However, it is suggested that:

1. The annual budget should be allocated to the support of projects and ideas of employees.
2. It should be delegated more authority to employees and also enough time to check their plans.
3. Financial conditions and bonus system development, especially for more talented employees, should be improved.
4. Risk tolerance level should be improved for employees who implement new plans.
5. Supporting employees should be done based on their mental and emotional needs.
6. Concessions for married employees to support them in the areas of children's and wife's progress should be done, for example, allocating allowances for educating the children of employees.

Recommendations based on results of hypothesis 2

As mentioned, the job designing can lead to improving employees' empowerment. This effect is evaluated in a remarkable level and should be considered seriously by unit of human resource management. On this basis, it is suggested that:

1. Programs of job enrichment and job displacement should be pursued seriously and implemented in the organization.
2. Especial working group for job designing and continuous improvement in it should be formed an in according to the importance of job designing in improving employees' empowerment, working group should pursue this task by specialty.

Suggestions based on the results of hypothesis 3

As mentioned, transformational leadership style can lead to improving employees' empowerment. However this impact is evaluated in a poor level and other variables play the most prominent role in this case. However, it is suggested that:

1. Capable and charismatic managers should be chose that can be considered as paradigm by employees.
2. Managers should be used uplifting and motivating behavioral styles for their employees.
3. Incentive and motivated approaches should be used for employees by managers.
4. Organizational goals and missions should be provided for employees.
5. Periodic meetings should be held by presence of managers and employees.
6. Employees should be encouraged for creativity and innovation.
7. Experiences of managers should be transferred to employees.
8. Managers should have more interaction with the employees.
9. Managers should have more compassion and efforts to improve conditions for employees.

Recommendations based on hypothesis 4

As mentioned, knowledge management can lead to improve employees' empowerment. This effect is evaluated in a remarkable level and should be considered seriously by unit of human resource management. On this basis, it is suggested that:

1. Systems of knowledge management should be done in the organizations.
2. Infrastructure and communication and networking tools in the organization.
3. Employees should be encouraged by using information and useful knowledge within the organization.
4. Employees should be encouraged to transfer their experiences and knowledge to others.
5. Employees' access to high speed internet should be facilitated.
6. Employees' access to useful information stored in databases of organization should be provided.

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